(b) if so, the reasons therefor;

(c) the expected escalation in crude cost per barrel; and

(d) what would be its final impact on present LPG cost to the consumer?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHAJ. PATEL): (a) A Sale Purchase Agreement (SPA) for the purchase of 5 million metric tonnes per annum (MMTPA) of LNG was signed between GAIL (India) Limited (GAIL)/Indian Oil Corporation (IOC)/Bharat Petroleum Corporation Limited (BPCL) and National Iranian Gas Export Company (NIGEC), on 13th June, 2005, in Tehran. The contract period is for 25 years, beginning from the last quarter of 2009. The pricing of LNG has been negotiated on commercial considerations and is linked to Brent crude prices with floor and ceiling.

Through a side letter, dated 13.06.2005, to the LNG SPA, NIGEC conveyed that they need to obtain the approval of their parent company, National Iranian Oil Company (NIOC), for the SPA to become effective.

It is understood that Iranian internal procedures required to be completed for the approval of the SPA have not yet been finalized. However, no communication has been received from the Iranian side suggesting re-negotiation of the LNG price under this SPA.

(b) to (d) Do not arise.

Dual Pricing for LPG and Kerosene

†1575. SHRI MOTILAL VORA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government propose to fix different prices of kerosene and LPG for the people living below poverty line and above poverty line;

(b) if so, whether Government have verified the number of BPL families having LPG at present;

(c) if not, whether such double pricing will not increase the black marketing; and

(d) what is the planning of Government to check black marketing?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHAJ. PATEL): (a) to (c) In order to formulate a, long-term pricing policy, the Government had constituted an Inter-Ministerial

†Original notice of the question was received in Hindi.

committee under the chairmanship of Dr, C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister to examine different aspects of pricing and taxation of petroleum products. In its report submitted to the Government, the Committee has *inter-alia* recommended the following:—

(i) Raising the price of domestic LPG by Rs. 75/cylinder immediately and gradual elimination of subsidy thereafter.

(ii) Restricting subsidized kerosene to Below Poverty Line (BPL) families only so as to reduce the quantity of Public Distribution System (PDS) kerosene going through the subsidized route by about 40& from the present level. The report is being examined by the Government. This Ministry had also asked for the views of the State Governments on the suggestion of restricting the supplies of subsidized domestic LPG to only the BPL families. This matter was also discussed in a meeting held in this Ministry in December, 2005 with the representatives of the State Governments, and the view that emerged in the meeting was that subsidized domestic LPG is used to a considerable extent by APL families also and thus restricting it to only BPL families may not serve any purpose.

(d) The following measures have been taken to prevent the diversion/ black marketing of domestic LPG cylinders for commercial purposes:—

(i) Under the LPG (Regulation of Supply and Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 the diversion/black marketing of domestic LPG cylinders for commercial purposes by the distributors of the Public Sector Oil Marketing companies (OMCs) is prohibited. The State Governments are empowered to take action against erring distributors under the provisions of this Order.

(ii) State Governments have been alerted from time to time to take steps against the diversion of domestic cylinders for unauthorized usage.

(iii) As per the Marketing Discipline guidelines (MDG) for LPG distributors, in case of establishment of any diversion / black marketing of domestic LPG cylinder for commercial purposes, the following action is taken against the distributor:—

(a) Fine of Rs. 20,000 plus the price of LPG diverted at commercial rates for 1st offence.

(b) Fine of Rs. 50,000 plus the price of LPg diverted at commercial rates for 2nd offence, and

(c) Termination of the distributorship for 3rd offence.

(iv) The officials of OMCs carry out random checks at distributor's godown, delivery point as well as enroute to ensure that no diversion /black marketing takes place. Action against the erring distributor is taken in terms of MDG / Distributorship Agreement. As regards checking the black marketing of Public Distribution system (PDS) kerosene, the Central Government have made provisions in the Kerosene (Restriction on Use and Fixation of Ceiling Price) Order, 1993, issued under the Essential Commodities Act, 1955, as per which the dealers cannot sell PDS kerosene at a price higher than the price fixed by the Government or OMCs and the PDS kerosene dealers should prominently display stock-cum-price board at the place of business including the place of store on conspicuous place. The State Governments undertake distribution of PDS kerosene through their PDS network and also implement the Control Orders issued by the Central Government under the Essential Commodities Act, 1955. The Jan Kerosene Priyojana has been launched as a pilot project to revamp the PDS kerosene distributors network with a view to first ensuring that this heavily subsidized product is actually made available in the required quantities at subsidized prices to the intended beneficiaries and to thus cap, reverse and eventually eliminate the diversion of PDS SKO for adulteration.

Performance of oil companies

1576. SHRI N.R. GOVINDARAJAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether all public sector and private sector petroleum companies have earned profits during the current financial year;

(b) if so, the details thereof company-wise separately as compared to the profits of previous year;

(c) whether these companies have increased production, processing and sales of the products; and